



**Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of InvesTrust Consulting, LLC. If you have any questions about the contents of this brochure, please contact us at: (405) 843-7046, or by email at: [scarter@investrust.com](mailto:scarter@investrust.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about InvesTrust Consulting, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as the CRD number. InvesTrust Consulting, LLC's number is 108037

InvesTrust Consulting is an SEC-registered investment advisor with its principal place of business in Oklahoma City, Oklahoma. This registration does not imply any level of skill or training.

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## ITEM 2 MATERIAL CHANGES

This Brochure dated March 23, 2020, represents an annual update to the Brochure dated March 17, 2019. The following is an update impacting this brochure since the last annual update:

There are no material changes in this filing. However, this amendment is impacted by updates you should be aware of:

### Changes in Firm Leadership:

InvesTrust Consulting, LLC is a wholly owned subsidiary of InvesTrust Wealth Management, LLC. In December 2019, David Thompson, Chairman and CEO of InvesTrust Wealth Management announced his retirement, effective March 31, 2020. Mark Williams who was serving as COO and CIO assumed the position of CEO and Chairman for the Firm.

Please note that this section of the Brochure discusses only material changes since the last annual update of our Brochure. For any future material changes to this and subsequent Brochures, we will at no charge provide you with a summary of material changes within 120 days of the close of our fiscal year, or more often as necessary.

To obtain our Firm Brochure, please contact Shannon Carter, Chief Compliance Officer, at (405) 843-7046 or at [scarter@investrust.com](mailto:scarter@investrust.com) or visit our website at <http://www.investrust.com/consulting>

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## ITEM 4     ADVISORY BUSINESS

### Firm Description

InvesTrust Consulting, LLC (“We” or “Firm”) is an SEC-registered investment advisor that has its principal place of business located in Oklahoma City, OK. InvesTrust Consulting, LLC is a wholly owned subsidiary of InvesTrust Wealth Management, LLC, founded in 1985. InvesTrust Wealth Management, LLC is owned 100% by American Fidelity Corporation.

### Types of Advisory Services

InvesTrust Consulting is an independent consulting firm that offers customized investment advisory services. Firm clients are foundations, endowments, pension plans, trusts, high-net worth individuals, insurance companies, and corporations. We provide advisory services on a discretionary and non-discretionary basis as set forth in the client’s advisory agreement. As a fiduciary, the Firm offers objective advice, accepts no commissions, and has no proprietary products to sell.

InvesTrust Consulting’s services include, but are not limited to, the following:

- Investment Consulting Services
  - Establishment of Investment Objectives, Goals, and Restrictions
  - Asset allocation Studies/Services
  - Independent Performance Measurement/Aggregation
  - Comprehensive Quarterly Reporting
  - Manager Communication, Selection and Monitoring
- Asset Management Services
- Retirement Plan and Pension Consulting Services
  - Preparation of an Investment Policy Statement (IPS)
  - Monitoring of Investment Performance
  - Educational Support to the Plan Sponsor or Committee
- Macro-Economic Analysis
- Customized/Special Projects
- Bookkeeping (limited basis)

Not all clients receive each of the services described above. The services we provide to each client are based on mutually agreed upon engagements with the client and tailored to fit their goals and objectives. Our investment recommendations are not limited to any specific product or service. Clients may impose restrictions on investing in certain types of securities, and we will refine our recommendations accordingly. We are a fee only advisor.

## **Investment Consulting Services**

We advise across a broad range of asset classes that include separately managed accounts (investment managers), limited partnerships, commingled vehicles, mutual funds and ETFs. Asset classes include domestic and international equities, fixed income, and alternative investments (private equity, REITs, hedge funds).

Our process begins with discussions with the client and gathering data to determine their investment objectives, time horizon and risk tolerance. This knowledge guides us to a strategy that best fits the client's needs and long-term goals in accordance to their investment policy.

Consulting services are provided on a non-discretionary basis. In performing consulting services, the Firm relies on information received from the client or the client's other professionals (attorney, accountant, custodian, etc.), which is deemed to be reliable. The client is under no obligation to accept or approve any of the recommendations made by InvesTrust Consulting under a consulting agreement or to engage in the services of any such recommended professional. The client retains ultimate discretion over all decisions and is free to accept or reject any of InvesTrust Consulting's recommendations. The implementation of the Firm's recommendations, including the purchase or sale of investments is solely at the discretion of the client's custodian or third-party managers. Clients are advised that it remains their responsibility to promptly notify us if there is any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the previous recommendations and/or services made by InvesTrust Consulting.

### ***Asset Allocation Studies/Services***

Our Firm aids in setting objectives and allocating assets to clients who request these services. Through personal discussions with the client, the client's goals and objectives can be established. We provide asset allocation services to clients on a discretionary and non-discretionary basis, providing the client with continuous and on-going supervision over their assets. When providing these services on a discretionary basis, InvesTrust Consulting will direct the client's custodian to execute trades when allocating assets among various assets or assisting plan sponsors with monthly distributions without prior consultation with the client. While these services are provided without prior client consultation, when requested, we notify the client or their designated contact informing them of any action implemented. We also provide these services on a non-discretionary basis by providing the client with our recommendation and it is up to the client to implement the changes. Account supervision is guided by the client's stated investment policy. Recommendations to a client are designed to be appropriate for the needs of the client and consistent with the client's investment objectives, time horizon, liquidity needs, and risk tolerance, among other considerations. Clients may impose restrictions on investing in certain securities, types of securities, or industry sectors. Clients may also request that we not implement all of our recommended changes to their portfolios.

### ***Performance Verification and Reporting***

We provide reports, at least quarterly, concerning the client's portfolio allocation and performance. Reports are customized for each client's portfolio. InvesTrust Consulting relies on information received from the client or the client's other professionals (attorney, accountant, custodian, etc.) deemed to be reliable. After portfolio performance is calculated, the client is provided with an aggregate report of the investments under advisement which reports or verifies the performance reported by the investment managers and fund companies. Investment reports contain data that includes, but is not limited to: trailing and calendar performance, allocation, risk statistics, attribution and underlying holdings, where appropriate.

### ***Manager Communication, Selection and Monitoring***

Selection and monitoring services consist of analyzing, monitoring and recommending third-party investment managers who manage portfolios in what are commonly referred to as "separately managed accounts". Our research/analysis process is completed as described in Item 8. The investment managers may manage funds or "funds of funds" which hold various investment types or alternative investments on the behalf of the client. We review reports provided by the managers and provide ongoing due diligence of the managers acting as an intermediary (including hiring and firing), between the client and third-party investment advisor, where appropriate.

For a full description of the services offered by the investment managers/funds, clients should refer to that investment manager's Firm brochure, advisory contract and/or other disclosure documents. We are available to meet with clients at least quarterly, or as determined by the client, to review their portfolio and investment managers selected.

### ***Other Investment-Related Comments***

InvesTrust Consulting utilizes a team-based approach to client service. Each client will be assigned a primary consultant that is responsible for coordinating the relationship and understanding the client's specific needs. The investment services/products received by one client may vary from the products/services received by another client. Factors such as risk tolerance, time horizon, investment objectives, account size, other assets, etc. will affect the services received and the fees charged.

## **Asset Management Services**

We offer asset management services on a discretionary basis, providing the client with continuous and on-going supervision over their assets. This means we continuously monitor the client's account and direct the custodian or third-party manager to place trades when necessary. For clients where InvesTrust Consulting has discretionary authority, the Firm has the authority to direct the client's custodian or investment manager to implement recommended changes without prior consultation with the client, in accordance with the client's Investment Policy Statement.

For clients where InvesTrust Consulting has limited discretion and acts an intermediary, the Firm has the authority to direct the client's custodian and/or investment manager to implement recommendations or complete transactions for the purpose of rebalancing, but only after such recommendations are accepted by the client. Clients may impose restrictions on investing in certain types of securities, and we will refine our recommendations accordingly.

## **Retirement Plan and Pension Consulting Services**

The Employee Retirement Income Security Act of 1974 (“ERISA”) sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For these services InvesTrust Consulting will be considered a fiduciary under ERISA.

InvesTrust Consulting will provide 3(21) fiduciary services to 401(k), 403(b), and other qualified and non-qualified deferred compensation plans on a non-discretionary basis only. Services are tailored to client needs. As mutually agreed upon with the client, our Firm will help with the development of an investment policy statement, recommendation of investment vehicles or a plan “line-up”, monitoring of investment performance, recommendations for fund replacement, due diligence research, comprehensive reporting and plan sponsor education. For example, InvesTrust Consulting will act as a co-fiduciary when providing non-discretionary investment advice to Plan fiduciaries or Plan Sponsors by providing investment monitoring and recommendations on a regular basis with the understanding the advice will serve as the primary basis for investment decision related to the plan.

InvesTrust Consulting will provide advisory services as a co-fiduciary to defined benefit plans. Services are tailored to client needs. As mutually agreed upon with the client, our Firm will help with the development of an investment policy statement, recommendation of investment vehicles or a plan “line-up”, monitoring of investment performance, monitoring and recommendation of investment options, rebalancing per the Investment Policy guidelines, comprehensive reporting and other general pension plan consulting. On a limited basis, we provide discretionary asset allocation services (as described on page 4) to our pension plan clients to assist with allocating contributions and distributions, as requested.

### ***Preparation of an Investment Policy Statement (an "IPS")***

We will assist in the preparation of a written Investment Policy Statement (“IPS”) with the client detailing investment requirements and restrictions, as appropriate. We will also assist clients in the development of an appropriate investment strategy reflecting the client’s stated investment objectives.

### ***Monitoring of Investment Performance***

Investments are monitored on a regular basis for adherence to the Investment Policy Statement. Recommendations for changes to the investment selection or Investment Policy are provided to the plan fiduciaries, as needed. Where third-party investment managers are used, we will provide ongoing due diligence of the managers and act as an intermediary between the client and third-party investment advisor.

### ***General Retirement and Pension Plan Consulting***

We provide periodic educational support regarding general investment principles to plan fiduciaries, as needed or requested. Plan fiduciaries may engage our Firm to provide a review of their retirement or pension plans. Areas reviewed include, but are not limited to items such as fiduciary liability, investment policy statement, plan investments and administrative fees.

## **Macro-Economic Analysis**

Our Firm presents to clients, quarterly economic analysis that provides general information on various financial topics including, but not limited to, pension data, inflation, unemployment, housing growth, and other broad economic data. This service is provided to clients at their request and is not intended to meet the objectives or needs of any specific individual/institution.

## **Bookkeeping and Other Services**

Bookkeeping services are available to clients, on a limited basis and is based on the information provided by the client.

To meet the unique needs of each client, our Firm may offer other financial-related consulting services, research and recommendations not described in this Brochure.

## **Publication of Periodicals or Newsletters**

Our Firm periodically publishes newsletters providing general information on various broad economic topics. The newsletter information is purchased from Forefield, a third-party newsletter provider. These newsletters and the information provided in them are not intended to meet the objectives or needs of any specific individual. Our newsletters are distributed at no charge.

## **Tailored Relationships**

InvesTrust Consulting offers tailored services to the specific needs of each individual client. Agreements may not be assigned without client consent. Our agreements can be customized to the specific needs of the client, such as:

- The amount and types of reporting to be provided, including frequency.
- The frequency of face to face meetings.
- Providing for discretionary services: allowing our Firm to direct the client's custodian and/or investment managers to make and execute trades when allocating assets among various assets, per the client's investment policy
- Other specific needs or services can be described.

Either InvesTrust Consulting or the client may terminate the agreement with 30 days written notice.

InvesTrust Consulting provides, at least quarterly, written reports evaluating our clients' asset allocation, manager performance, and investment strategy.

InvesTrust Consulting does not participate in any wrap fee programs.



## Assets under Advisement

As of 12/31/2019, InvesTrust Consulting advises on \$2,351,916,241 in total client assets of which, \$46,676,976 is advised on a discretionary basis, and \$2,305,239,265 is advised on a non-discretionary basis. Of the total, \$798,509,210 is reported as “regulatory assets under management.”

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### ITEM 5 FEES AND COMPENSATION

InvesTrust Consulting is a fee only advisor. Prior to the start of any client relationship, InvesTrust Consulting enters into an agreement with the client that outlines the terms and conditions of the relationship, including a description of the services to be provided and all associated fees. Invoices are sent directly to the client or their designated representative and payment is rendered to the Firm. InvesTrust Consulting does not directly debit fees from client accounts.

InvesTrust Consulting does not have a standard fee schedule as fees vary depending on the complexity of the services requested. All fees are negotiable. InvesTrust Consulting may charge a pre-determined fixed fee, hourly fee or fees based on a percentage of assets. Depending on the scope of the services requested, there may be a minimum fee threshold.

InvesTrust Consulting’s consulting fees are all-inclusive, covering all services outlined the client’s agreement. We do not charge for reasonable travel and other expenses in connection with our services unless otherwise agreed upon by the client. If there are expenses for services requested by the client, above and beyond the scope of the agreement, those fees will be negotiated by InvesTrust Consulting and the client.

InvesTrust Consulting, in its sole discretion, provides services to clients at a lesser fee based upon certain criteria (e.g., historical relationship, type of assets, types of services provided, anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, negotiations with clients, etc.). Therefore, some existing “grandfathered” clients may pay a lower fee that has been negotiated.

#### *Billing*

Fees are billed monthly or quarterly, in arrears, meaning that we invoice clients after the billing period has ended. For example: A \$5,000,000 account would be billed as follows: Market value at the end of the quarter December 31<sup>st</sup> of \$5,000,000 @ 0.40%= \$20,000/4= \$5,000 quarterly fee billed in March.

Payment in full is due upon receipt of invoice. Clients are billed directly. We do not debit client accounts directly, and we do not bill in advance.

The client may elect to have the invoice sent directly to their custodian and have the custodian pay InvesTrust Consulting directly. If this option is selected, a copy of the quarterly invoice is also sent to the client. If the client chooses this option, the client must direct their custodian to pay us directly and notify us of their election.

Our agreements may be canceled by either party with thirty days written notice. Should cancellation occur during the course of a quarter, fees for that quarter will be due and payable.

### *Additional Fees and Expenses*

All fees that clients pay to InvesTrust Consulting for advisory services are separate and distinct from fees/expenses charged to clients by third-party firms. These fees and charges which clients pay, include:

- Custody fees/charges, which may include transactions costs/fees from the purchase/sale of securities, wire charges, etc.
- Brokerage fees/charges, which may include fees charged by an agent or agent's company to process transactions between the buyer and seller.
- Investment manager fees and expenses for management of investment assets
- Fees and expenses charged by mutual funds, alternative investments, and exchange traded funds ("ETFs")

The fees and expenses for investment managers, mutual funds, alternative funds and ETFs are described in each investment manager or fund's advisory contract, prospectus or offering information. These fees will generally include a management fee, various fund expenses and, a possible distribution fee. Typically, the mutual funds recommended by our Firm to clients are "no-load" mutual funds. None of our personnel receives compensation or commissions from the use or recommendation of any investment product, as this would create a conflict of interest. By only taking compensation from our clients, we are working only with their best interests in mind. Clients are urged to review both fees charged by funds and by InvesTrust Consulting to fully understand the fees charged related to their investments.

Clients should be aware that similar services may be available from other firms, including other consulting firms, at a higher or lower cost than that available through our firm. Additionally, a client could invest with investment managers, mutual funds or ETFs directly, without the services of our Firm. However, in doing so, a client would not receive the services provided by us which are designed, among other things, to assist our clients in selecting and monitoring which investment managers, mutual funds, etc. are most appropriate for each client's financial condition and objectives.

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## **ITEM 6 PERFORMANCE-BASED FEES**

InvesTrust Consulting does not charge performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

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## **ITEM 7 TYPES OF CLIENTS**

InvesTrust Consulting provides advisory services to:

- High Net Worth Individuals
- Insurance Companies
- Pension and profit sharing plans (other than plan participants)
- Trusts
- Charitable organizations
- Corporations or business entities

Client relationships vary in scope and length of service. The minimum account size and fee are negotiable.

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## ITEM 8      METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### *Methods of Analysis*

In formulating investment advice as an independent consultant, InvesTrust Consulting's methods of analysis include conductive asset allocation studies; if the client does not have an investment policy or investments in place. And, if the client does have an investment policy statement, we evaluate the client's investment objectives, risk tolerance and current investment policy; and perform investment manager due diligence.

### *Investment Policy Statement Review/Development*

When hired, the first step we undertake to ensure that our investment advice is tailored to the client, is to spend considerable time with the appropriate members of the client's staff, board, and/or Investment Committee in order to understand the overall objectives, risk tolerance, liquidity constraints, and the details of its current investment policy statement. This knowledge enables us to then develop, with client input, a strategy that is most appropriate for the long-term success for the client.

These conversations generally focus on the following areas:

- Objectives, risk tolerance, and time horizon
- Spending policy and development efforts
- Asset allocation strategy
- Investment restrictions (i.e., social restrictions, security types, etc.) imposed by the client
- Historical performance data - total portfolio & individual investment manager

Based on these discussions, we produce an action plan to the client for review, comment, and approval. In conjunction with the above, we perform asset allocation and investment manager reviews and recommendations.

### *Asset Allocation Review & Recommendation*

We attempt to identify an appropriate ratio of equities, fixed income, alternatives, and cash that meets the client's investment goals and risk tolerance. We recommend annual asset allocation reviews but will conduct a to review more frequently if there are either changes in the client's objective and risk tolerance.

Our advice, with regard to asset allocation, is based on the belief that market timing is not effective, and that a strategic, long-term view of asset allocation is the best approach. We also believe in a diversified portfolio. While a diversified portfolio does not guarantee protection against loss, concentrating assets in any one area or market represents increased risk that can and should be avoided.

A risk associated with asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of equities, fixed income, alternatives, and cash will change over time due to stock and market movements and, if not corrected, will no longer be in compliance with the client's investment policy. We advise clients to consider this

potential risk as part of setting an asset allocation strategy. Further risks for any portfolio include the risk of loss, both short-term (which can be temporary) as well as long-term (which tends to be permanent).

### *Investment Manager Review & Recommendation*

Based on the client's asset allocation strategy, we evaluate both existing and new third-party investment managers and funds by using qualitative (management expertise, industry cycles, non-qualitative) and quantitative (looking at various statistical measures of return and risk as well as the specific holdings of a portfolio) factors. A risk of investing with any third-party manager or fund who has been successful in the past, is they may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a mutual funds or third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, thereby making it a less suitable investment for our clients. Moreover, as we do not control the fund or manager's daily business and we may be unaware of a potential lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies. We continually review and monitor clients' investment managers in an attempt to mitigate these specific risks.

### *Sources of Data for Analysis*

The main sources of information include data provided by clients, custodial banks, investment manager reports/commentary, fund providers (e.g. mutual funds, financial newspapers and magazines, research materials prepared by others (prospectuses)) and in-person meetings. We consider the investment views of other financial professionals, such as separate account managers and mutual fund managers to gain additional insights. The information obtained from these sources is not the sole basis of our investment decision making process. InvesTrust Consulting also obtains information via industry investment data service providers such as Investment Metrics, Morningstar, and the World Wide Web.

### *Investment and Research Process*

When conducting research or review of investments currently held by a client or to be recommended to a client, some basic factors must first be considered.

- Investment policy guidelines and restrictions of client;
- Type of client (Retirement Plan, High-Net Worth, Foundation, Corporation, etc.) The type of client can affect the share classes available for investment;
- Size of account;
- Investment type (vehicle, style, size);
- General economic conditions;
- Distribution as to geographical area (Domestic vs. International);
- Distribution as to industries/sectors;
- Investor time horizon/ liquidity needs

Once these factors are reviewed, we can begin our screening process.

Our screening process is based upon both qualitative and quantitative factors aimed at providing investments to meet each of our client's unique needs. To conduct the search/review, we use Morningstar Direct and the Web. During our search and review process, we examine the following areas:

**Broad Universe Screening:** This allows us to narrow down the universe of products/funds based on the investment objective.

**Quantitative Analysis:** Fund performance against a benchmark and the category, risk, investment style, portfolio composition, purchase requirements and expenses.

### *Investment Strategies*

The primary investment strategy used is driven by the client's investment policy and their needs. We employ a long-term strategic approach as our clients typically have a long time horizon. A long-term approach carries the risk of greater short-term volatility and losses than a portfolio with a short-term focus. We believe portfolios should be well-diversified to a variety of economic and market conditions. And, that attempts to predict short-term market behavior via market timing strategies should be avoided. The investment strategy employed by each client is unique, as no one strategy applies to all clients. Investment options and restrictions are driven by the client. We do not recommend individual securities to clients. Alternatively, we recommend products and services that may be suitable for each client relative to their specific circumstances. Investment recommendations are not limited to any specific product or service. We advise across a broad range of investment vehicles that include investment managers, mutual funds and ETFs. The asset classes within these vehicles include US and International equities, fixed income, and alternative investments (private equity, REITs, hedge funds). Clients may impose restrictions on investing in certain types of securities, and we will refine our recommendations accordingly.

### *Risk of Loss*

Investing in securities involves risk of loss that the client should be prepared to bear. All investment strategies carry the risk of loss, as no investment is guaranteed. Our investment approach constantly keeps the risk of loss in mind. The degree of risk associated with an investment depends on the type of security and/or strategy involved. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

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## ITEM 9 DISCIPLINARY INFORMATION

InvesTrust Consulting, nor its employees, have been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of InvesTrust Consulting or its personnel.

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## ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### *Financial Industry Activities*

InvesTrust Consulting is not registered as a securities broker-dealer, nor are any of its employees registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

InvesTrust Consulting is not registered as a futures commission merchant, commodity pool operator or a commodity trading advisor, nor are any of its employees registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

### *Affiliations*

InvesTrust Consulting is under common control with its affiliates: InvesTrust, a banking/thrift institution and InvesTrust Retirement Specialists, an independent retirement plan services provider. Certain Supervised Persons of InvesTrust Consulting also serve in similar capacities for InvesTrust and/or InvesTrust Retirement Specialists. InvesTrust Consulting shares the same principal place of business with these affiliates. Though InvesTrust Consulting does not recommend the services of our related parties, the services of all three entities are marketed "all-inclusive" at the holding company level, when appropriate. Where a client employs the services of InvesTrust Consulting and one of our related parties, separate contracts are executed, and fees are calculated separately. Currently, InvesTrust serves as custodian to some of InvesTrust Consulting's clients, creating a conflict of interest under these circumstances. InvesTrust Retirement Specialists administers the 401(k) for two of InvesTrust Consulting's clients, creating a conflict of interest.

### **InvesTrust**

InvesTrust is a special purpose bank, chartered by the Oklahoma State Banking Association. InvesTrust offers trust services, custodial services, investment management and other services. InvesTrust acts as the custodian for some InvesTrust Consulting client assets.

InvesTrust is wholly owned by InvesTrust Wealth Management, LLC. (InvesTrust Consulting's parent company), therefore InvesTrust and InvesTrust Consulting are under common control of InvesTrust Wealth Management. Additionally, InvesTrust and InvesTrust Consulting share human capital. While InvesTrust and InvesTrust Consulting are separate entities, all employees are employees of InvesTrust Wealth Management. As such, some of InvesTrust Consulting's employees may also serve as employees of InvesTrust. This means some employees receive compensation that is related to their work for InvesTrust. For example, Mark Williams is the CIO for both InvesTrust Consulting and InvesTrust. Our relationship with InvesTrust could be perceived as a conflict of interest since it may cause us to favor the use of InvesTrust by our clients. Because of this conflict of interest, InvesTrust Consulting does not recommend InvesTrust be used as a custodian for our clients. In the few cases where InvesTrust serves as custodian to an InvesTrust Consulting Client, it is at the client's request or in circumstances where it is in the best interest of the client. In those cases, precautions are taken, and controls are in place to separate the functions/actions of custodian and consultant. The services InvesTrust provides are separate and distinct from our advisory services and are billed separately for those services. There are no referral fee arrangements between the two firms for recommendations. We resolve this conflict through this disclosure.

In some cases, InvesTrust Consulting and InvesTrust share software for client reporting. Access to reporting software is limited to the staff that works directly with those client accounts. As requested, InvesTrust Consulting will assist InvesTrust in the research and selection of mutual funds provided to their Trust Investment Committee. InvesTrust Consulting provides these services to InvesTrust at no charge.

Because of the relationship with InvesTrust, InvesTrust Consulting is subject to an annual surprise examination.

### **InvesTrust Retirement Specialists, LLC.**

InvesTrust Retirement Specialists, LLC. – is an independent retirement services provider. InvesTrust Retirement Specialists offers plan document design, administration, record keeping, education, and compliance for new and existing; 401(k), 403(b), 457, and non-qualified defined benefit plans.

InvesTrust Retirement Specialists is wholly owned by InvesTrust Wealth Management, LLC. (InvesTrust Consulting's parent company), therefore InvesTrust Retirement Specialists and InvesTrust Consulting are under common control of InvesTrust Wealth Management. Additionally, InvesTrust Retirement Specialists and InvesTrust Consulting share human capital. While InvesTrust Retirement Specialists and InvesTrust Consulting are separate entities, all employees are employees of InvesTrust Wealth Management. As such, some of InvesTrust Consulting's employees may also serve as employees of InvesTrust Retirement Specialists. This means some employees receive compensation that is related to their work for InvesTrust Retirement Specialists. For example, Shannon Carter provides investment research to both InvesTrust Consulting and InvesTrust Retirement Specialists. Our relationship with InvesTrust Retirement Specialists could be perceived as a conflict of interest since it may cause us to

favor the use of InvesTrust Retirement Specialists by our clients, where appropriate. Because of this conflict of interest, InvesTrust Consulting does not recommend InvesTrust Retirement Specialists be used as a retirement plan provider for our clients. InvesTrust Retirement Specialists currently serves as provider to two InvesTrust Consulting clients and to a related party. In those cases, precautions are taken, and controls are in place to separate the functions/actions of the plan provider and consultant. The services that InvesTrust Retirement Specialists provides are separate and distinct from our advisory services and are billed separately for those services. There are no referral fee arrangements between the two firms for recommendations. We resolve this conflict through this disclosure.

In some cases, InvesTrust Consulting and InvesTrust Retirement Specialists share software for investment research and reporting. Access to software is limited to the staff whose job duties are directly related to the specific software. As requested, InvesTrust Consulting will assist InvesTrust Retirement Specialists in the research and selection of mutual funds provided to their clients. InvesTrust Consulting provides these services to InvesTrust Retirement Specialists at no charge.

#### **American Fidelity Corporation**

American Fidelity – is the owner of InvesTrust Wealth Management, LLC (InvesTrust Consulting’s parent company). American Fidelity Corporation owns American Fidelity Assurance, a well-capitalized, highly rated national insurance underwriter. InvesTrust Consulting provides consulting services to various American Fidelity entities for a fee, negotiated by each entity. InvesTrust Consulting does not share human capital or residence with American Fidelity Corporation.

#### **American Fidelity Assurance Company**

As mentioned above, American Fidelity Assurance is a well-capitalized, highly rated regional insurance underwriter. InvesTrust Consulting does not share human capital or residence with American Fidelity Assurance Company.

#### **CE Investment Management, LLC**

CE Investment Management, LLC “CEIM” is an affiliated registered investment advisor under common control with InvesTrust Consulting. CEIM is primarily focused on fixed income investments and provides advice solely to affiliated companies. Neither the Firm nor its employees receive compensation from CEIM. InvesTrust Consulting does not share human capital or residence with CEIM. No conflict of interest exists under these circumstances.

#### **First Fidelity Bank**

First Fidelity Bank is an affiliated banking institution under common control with InvesTrust Consulting. First Fidelity Bank is an Oklahoma state-chartered bank with full-service branches in Oklahoma and Arizona. InvesTrust Consulting may refer a client to First Fidelity Bank for services, if appropriate. Neither the Firm nor its employees receive compensation from First Fidelity Bank for referrals. InvesTrust Consulting does not share human capital or residence with First Fidelity Bank. No conflict of interest exists under these circumstances.

#### **INSURICA**

INSURICA is an affiliated insurance agency under common control with InvesTrust Consulting. INSURICA is an Oklahoma property and casualty agency owning several other property and casualty companies. InvesTrust Consulting may refer a client to INSURICA for services, if appropriate. Neither



the Firm nor its employees receive compensation from INSURICA for referrals. InvesTrust Consulting does not share human capital or residence with INSURICA. No conflict of interest exists under these circumstances.

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## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

InvesTrust Consulting has adopted a Code of Ethics (“Code”) designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). All personnel regardless of role have committed to a Code of Ethics which sets forth high ethical standards of business conduct. Employees are required, on behalf of InvesTrust Consulting to always act in the best interests of our clients. In addition, all employees are expected to comply with the spirit and letter of all applicable laws, regulations and company policies, and be sensitive to, and act appropriately in, situations that may give rise to actual as well as perceived conflicts of interest or violations of this Code.

As a fiduciary, the Firm and its employees have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of the client. Compliance with this duty can be achieved by trying to avoid conflicts of interest or potential conflicts by fully disclosing all material facts concerning any conflict that does arise with respect to any client.

The Code also sets forth other principles of fiduciary responsibility that our employees are to follow, including a de minimis limit on gifts given to and received from employees.

InvesTrust Consulting does not have any proprietary products. Neither InvesTrust Consulting nor its employees would recommend to clients, or buy or sell for client accounts, securities in which InvesTrust Consulting or its employees may have a direct material financial interest. The interests of InvesTrust Consulting’s clients are the first priority. Any personal securities transaction, which would be potentially detrimental to any client account, must be avoided. All personal securities transactions are required to be conducted in such a manner as to be consistent with the Code and avoid any actual or potential conflicts of interest or abuse of Investment Advisor personnel’s knowledge of client information and financial circumstances. Client accounts are invested in open-end mutual funds, ETFs, and with third-party investment managers, so there is little opportunity for a conflict of interest between personal trades by InvesTrust Consulting’s employees and trades in client accounts, even when such accounts invest in the same securities. InvesTrust Consulting does not place trades in client accounts, all trades are placed with the client’s custodian or investment manager. In the event of a conflict of interest, the policy is to place client’s interests first. Employee trades are reviewed quarterly by the Chief Compliance Officer. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets. InvesTrust Consulting and its employees may buy or sell securities that are also held by clients.

Upon request, InvesTrust Consulting will provide a complete copy of our Code at no charge.

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## **ITEM 12 BROKERAGE PRACTICES**

InvesTrust Consulting does not select or recommend broker-dealers for client transactions. When we recommend or select a separate account manager (investment manager) for a client, each such investment manager has the responsibility to determine the brokerage firms used for the best execution of transactions. InvesTrust Consulting does not execute trades on publicly-traded individual securities. Any purchases or redemptions we direct on behalf of a client are executed by the client's qualified custodian.

InvesTrust Consulting is periodically engaged to conduct searches for custodians; however, the client selects the provider.

While our Affiliate, InvesTrust, does receive soft dollar benefits, InvesTrust Consulting does not receive those benefits. InvesTrust Consulting does not engage in any soft dollar fee arrangements or other revenue generating programs. We do not accept compensation from any person or entity other than our clients, as this would create a conflict of interest. By only taking compensation from our clients, we are working only with their best interests in mind.

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## **ITEM 13 REVIEW OF ACCOUNTS**

InvesTrust Consulting regularly monitors and reviews client accounts. Upon receipt of client statements performance is calculated and reviewed by investment personnel. Formal account reviews are performed at least quarterly by both a Consultant and Analyst, with a focus on asset allocation, adherence to the client's stated investment objectives and guidelines and investment performance.

Written reports are produced, at least quarterly. These reports typically contain performance reports reflecting absolute and relative performance, analysis of risk, style, peer group ranking, and other fundamental analysis customized for each client's reporting requirements. However, communications with Clients are usually more frequent as Consultants are available for calls and meetings, as needed, as part of our services. More frequent reviews will be triggered by material changes in variables including but not limited to client specific circumstances, product underperformance, style changes, and market conditions. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's situation. In those circumstances, the client's lead consultant will review and assist the client in updating the client's Investment Policy Statement.

Reports from custodians and third-party investment managers are delivered directly to the client by the provider. Clients are encouraged to compare reports provided by InvesTrust Consulting with the statements delivered separately to the client by the qualified custodian.

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## **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

InvesTrust Consulting has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. InvesTrust Consulting does not compensate referring parties for these referrals.

InvesTrust Consulting does not receive any economic benefit, including any form of compensation, from any third-party or individual providing any services to our clients. And, we do not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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## **ITEM 15 CUSTODY**

InvesTrust Consulting is not a custodian. However, we are deemed to have indirect custody due to our affiliation with InvesTrust. InvesTrust Consulting does not hold client assets or accept assets under any circumstance. All assets are held at qualified custodians chosen by the client(s). For clients where InvesTrust is custodian, InvesTrust Consulting has procedures in place to safeguard the client. Additionally, we are subject to an annual surprise audit by an independent public accountant. Account statements are delivered directly to clients by the custodian, at their address of record by the custodian, at least quarterly.

InvesTrust Consulting does not produce account statements for clients. Reports compiled by InvesTrust Consulting use data provided by the investment managers/vehicles and the client's custodial statements. InvesTrust Consulting urges clients to compare the account statements received directly from their custodians to the investment reports provided by our Firm. From time to time, the information in reports from InvesTrust Consulting may differ from the information in custodial statements due to timing of trades, interest, or other similar issues.

As disclosed in the Brochure, InvesTrust Consulting provides bookkeeping services on a limited basis to clients, at their request. Because these services may include check writing or bill paying services, we may have client identifying information and electronic access to client accounts, but InvesTrust Consulting does not have signatory authority. By definition, these services and account access give us "custody" of these accounts per the SEC regulations under which we operate. Clients who engage us for bookkeeping services receive separate account statements from their custodian as well as reporting from InvesTrust Consulting. In all instances, clients should compare the information received from their custodian to the information received from InvesTrust Consulting for any discrepancies.

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## **ITEM 16 INVESTMENT DISCRETION**

InvesTrust Consulting provides advisory services on a discretionary and non-discretionary basis as set forth in the client's advisory agreement. InvesTrust Consulting may be given the authority to determine, the investments to be bought or sold, and the amount to be bought or sold and direct the client's custodian to execute the recommended transactions or to rebalance accounts in compliance with the client's investment policy without prior consent from the client. InvesTrust Consulting consults with the client prior to completing the transaction as the client retains ultimate discretion. Clients may impose restrictions on investing in certain types of securities, and we will refine our recommendations accordingly.

If InvesTrust Consulting has limited discretion, the Firm will act as an intermediary by directing the client's custodian or investment manager to implement recommendations approved by the client, assist with the contribution and distribution communications to the record-keeper and custodian or rebalance the account at the client's request.

The client approves the custodian to be used and the fees paid to the custodian. InvesTrust Consulting does not receive any portion of the transaction fees or commissions paid by the client to the custodian for trades.

Discretionary trading authority facilitates directing the client's custodian to execute trades in client accounts on their behalf so that we may promptly implement the investment policy that clients have approved in writing. However, InvesTrust Consulting does not place trades directly with a broker and we do not execute trades on publicly-traded individual securities. Trades placed for client accounts are solely done through the client's custodian or investment manager at InvesTrust Consulting's direction.

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## **ITEM 17 VOTING CLIENT SECURITIES**

As a matter of policy, InvesTrust Consulting does not have authority to vote proxies on behalf of clients. In the event a client elects to vote their own proxies; we will assist in making sure the client is set up to receive all proxies from their custodian(s). If clients choose not to vote their proxies, they will give their investment manager(s) the authority to vote on their behalf. Any questions regarding the solicitations that clients may have are addressed to their investment manager(s).

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## **ITEM 18 FINANCIAL INFORMATION**

InvesTrust Consulting does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

InvesTrust Consulting does not require or solicit the prepayment for more than \$1,200 in fees six months or more in advance.

InvesTrust Consulting has not been the subject of a bankruptcy petition at any time during the past ten years.